



Legislative Bulletin.....May 5, 2004

Contents:

- H.Res. 605**—Recognizing the importance of increasing awareness of autism, supporting programs for increased research and improved treatment of autism, improving training and support for individuals with autism and those who care for individuals with autism
- H.R. 2771**—To amend the Safe Drinking Water Act to reauthorize the New York City Watershed Protection Program
- H.R. 27**—Small Public Housing Authority Act
- H.Res. 402** — Expressing the sense of the House of Representatives regarding the urgent need for freedom, democratic reform, and international monitoring of elections, human rights, and religious liberty in the Lao People's Democratic Republic
- H.Con.Res. 326** — Expressing the sense of Congress regarding the arbitrary detention of Dr. Wang Bingzhang by the Government of the People's Republic of China and urging his immediate release
- H.Con.Res. 398**—Expressing the concern of Congress over Iran's development of the means to produce nuclear weapons
- H.R. 4227**—Middle-Class Alternative Minimum Tax Relief Act

Summary of the Bills Under Consideration Today:

Total Number of New Government Programs: 0
Year to Date Prior to Today's Bills: 17

Total Cost of Discretionary Authorizations: \$68 million over five years
Year to Date Prior to Today's Bills: At least \$199.0 billion[#] over five years

Total Amount of Revenue Reductions: \$7.1 billion in FY05 and \$17.8 billion over ten years*
Year to Date Prior to Today's Bills: \$25.17 billion over five years

Total Change in Mandatory Spending: \$0
Year to Date Prior to Today's Bills: \$474 million over five years

Total New State & Local Government Mandates: 0
Year to Date Prior to Today's Bills: 11[#]

Total New Private Sector Mandates: 0
Year to Date Prior to Today's Bills: 11

[#] This figure does not include H.R. 3873, the Child Nutrition Improvement and Integrity Act. A CBO analysis of this bill is not yet completed.

* This estimate is based on Ways & Means Committee staff reports, since an official Joint Committee on Taxation revenue estimate was not available at press-time.

H.Res. 605—Recognizing the importance of increasing awareness of autism, supporting programs for increased research and improved treatment of autism, improving training and support for individuals with autism and those who care for individuals with autism (*Tierney*)

Order of Business: The resolution is scheduled for consideration on Wednesday, May 5th, under a motion to suspend the rules and pass the bill, with an amendment. The summary below reflects the text of the amendment.

Summary: H.Res. 605 resolves that the House:

- “(1) supports the goals and ideals of ‘National Autism Awareness Month’;
- “(2) recognizes and commends the parents and relatives of children with autism for their sacrifice and dedication in providing for the special needs of children with autism and for absorbing significant financial costs for specialized education and support services;
- “(3) supports aggressive research to determine the causes of autism, identify the best methods of early intervention and treatment, expand programs for individuals with autism across their lifespan, and promote understanding of the special needs of individuals with autism;
- “(4) commends the Department of Health and Human Services for implementing programs to study the epidemiology of autism and related disorders and advancing autism research at the Centers for Disease Control and Prevention and the National Institutes of Health;
- “(5) stresses the need to begin early intervention services soon after an individual has been diagnosed with autism, noting that early intervention strategies are the primary therapeutic options for individuals with autism and early intervention significantly improves outcomes for individuals with autism and can reduce the level of funding and services needed later in life;
- “(6) supports the Federal Government’s commitment to provide States with part of the costs needed to educate children with disabilities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.);
- “(7) encourages more Americans to pursue the teaching profession and to be trained with the skills necessary to teach, assist, and respond to special needs students, including those students with autism; and
- “(8) recognizes the importance of worker training programs that meet the needs of developmentally disabled individuals, including those individuals with autism, and notes that people with autism can be, and are, productive members of the workforce if they are given appropriate support, training, and early intervention services.”

Additional Background: According to the resolution, the Autism Society of America, Cure Autism Now, the National Alliance for Autism Research, Unlocking Autism, and numerous other organizations commemorate April of each year as “National Autism Awareness Month.” The resolution also states that autism affects an estimated 1 of every 166 children in the United States.

Committee Action: The resolution was referred to the Committees on Education and the Workforce and Energy and Commerce, but was not considered by either committee.

Cost to Taxpayers: The resolution authorizes no expenditure.

Does the Bill Create New Federal Programs or Rules?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

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H.R. 2771—To amend the Safe Drinking Water Act to reauthorize the New York City Watershed Protection Program (Fossella)

Order of Business: The bill is scheduled for consideration on Wednesday, May 5, under a motion to suspend the rules and pass the bill.

Summary: H.R. 2771 reauthorizes the New York City Watershed Protection Program, included as part of the Safe Drinking Water Act (Public Law 104-182). The program is intended to support “the protection and enhancement of the quality of source waters of the New York City water supply system.” The bill reauthorizes the current funding level of \$15 million per year through fiscal year 2010.

Additional Background: According to testimony from a representative of the Environmental Protection Agency:

New York City's drinking water system is the largest unfiltered system in the nation, supplying 1.3 billion gallons of high quality drinking water to 9 million people daily. 90% of the water comes from a 1600 sq. mile area in the Catskill Mountains known as the Catskill/Delaware (Cat/Del) watershed. Drinking water taken from surface water sources must, under the Surface Water Treatment Rule of the Safe Drinking Water Act (SDWA), be filtered to remove microbial contaminants. The law allows EPA to grant a waiver from this requirement to water suppliers if they demonstrate that they have an effective watershed control program and that their water meets strict quality standards. Working in close coordination with New York State, EPA issued New York City such a waiver, called a Filtration Avoidance Determination (FAD), in November 2002 for water coming from the Cat/Del watershed.

To ensure that the City's water supply remains high quality in the future, the FAD requires New York City to carry out a wide range of watershed protection programs, at an investment of approximately \$1.2 billion. Filtration of the Cat/Del system would have cost New York City \$6 - \$8 billion, plus an estimated \$200 million a year in operation and maintenance. Thus, the watershed protection program, while expensive, is a considerable cost savings. New York City's Cat/Del system is by far the largest surface water supply system in the United States for which a Filtration Avoidance Determination has been made.

In addition to the City's own monitoring program, Congress authorized, through the 1996 Amendments to the Safe Drinking Water Act, \$15 million to be appropriated to the EPA Administrator for each of fiscal years 1997 through 2003, for the purpose of providing assistance to New York State to carry out watershed monitoring programs to support New York City's efforts. Congress has earmarked a total of

\$35.4 million in the annual appropriations act from fiscal years 1997 through 2004. All of these funds support monitoring programs that enhance the City's ability to comply with the FAD.

For the complete testimony, click here:

<http://energycommerce.house.gov/108/Hearings/04022004hearing1248/Mugdan1931.htm>

Committee Action: The Subcommittee on Environment and Hazardous Materials approved the bill by a vote of 19-7 on April 2, 2004. The full Energy and Commerce Committee reported the bill by a vote of 40-0 on April 22, 2004.

Cost to Taxpayers: The Congressional Budget Office estimates that H.R. 2771 would cost \$68 million over the 2005-2009 period.

Does the Bill Create New Federal Programs or Rules?: No, the bill reauthorizes a current federal program.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Constitutional Authority: The Energy and Commerce Committee, in House Report 108-476, cites Article I, Section 8, Clause 3 (commerce clause).

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H.R. 27—Small Public Housing Authority Act (Bereuter)

Order of Business: The bill is scheduled for consideration on Wednesday, May 5th, under a motion to suspend the rules and pass the bill.

Summary: H.R. 27 provides an exemption to small housing authorities (those administering 100 or fewer units of assisted housing or fewer than 100 section 8 vouchers) from the requirement to prepare an annual public housing agency plan. These small housing authorities would still be required to complete a five-year plan.

Committee Action: The Committee on Financial Services reported H.R. 27 by voice vote on March 17, 2004.

Cost to Taxpayers: The Congressional Budget Office estimates that H.R. 27 would have no significant impact on the federal budget.

Does the Bill Create New Federal Programs or Rules?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No. The bill eliminates a current mandate.

Constitutional Authority: The Committee on Financial Services, in House Report 108-458, cites Article 1, Section 8, Clause 1 (general welfare) and Clause 3 (commerce clause).

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**H.Res. 402 — Expressing the sense of the House of Representatives
regarding the urgent need for freedom, democratic reform, and
international monitoring of elections, human rights, and religious liberty in
the Lao People's Democratic Republic (Burton)**

Order of Business: The resolution is scheduled for consideration on Wednesday, May 5, 2004, under a motion to suspend the rules and pass the bill.

Summary: The resolution has twenty-three findings regarding Lao and states that it is resolved:

“That the House of Representatives strongly supports the following points and urges the Government of the Lao People's Democratic Republic, the United Nations, the European Union, and the Association of South East Asian Nations:

“(1) to work to provide unrestricted access to Laos by international election monitors for upcoming presidential and National Assembly elections;

“(2) to work to provide unrestricted access to Laos, including special closed military zones and closed provinces, by international human rights organizations, the United Nations, the United States Commission on International Religious Freedom, and humanitarian aid organizations;

“(3) to work to ensure that opposition political parties and their candidates are allowed to run for public office in multi-party elections without regard to gender, race, ethnicity, religion, economic standing, or political affiliation, and that all adult citizens of Laos, including overseas Laotian citizens, are permitted to vote and run for public office;

“(4) to allow the citizens of Laos to assemble and peacefully protest against the Government of Laos, the Lao People's Revolutionary Party, and individual public officials, and to freely organize opposition groups and independent political parties;

“(5) to heed the call by the United Nations Committee on Elimination of Racial Discrimination for the Lao People's Revolutionary Party to halt immediately all acts of violence against the Hmong population and provide them with humanitarian assistance;

“(6) to work to gain the immediate release of those students and their family members arrested and jailed in connection with the 1999 pro-democracy demonstrations, as well

as all other political prisoners, prisoners of conscience, and those jailed for their religious beliefs or ethnicity; and

“(7) to work to implement the recommendations of the United States Commission on International Religious Freedom with respect to promoting religious freedom in Laos.”

Additional Background: In 1975, a constitutional monarchy in the Kingdom of Laos was overthrown by the communist Marxist Lao People's Revolutionary Party, who then established the Lao People's Democratic Republic as a one-party regime. The only political party allowed by law in Laos is the communist Lao People's Revolutionary Party, which meets every five years and controls or influences the organs of the state in Laos, including the armed forces, the security services, and the National Assembly;

In 1999, peaceful pro-democracy demonstrations held by Laotian students were suppressed by force by the Lao government, which arrested many of the students. In 2001, a Member of the European Parliament was arrested and jailed in Laos along with a group of pro-democracy activists after peacefully protesting for the release of the Lao students and for democratic and human rights reforms in Laos.

In 2003, the United States Commission on International Religious Freedom issued a country report on religious persecution in Laos, recommending that the President designate Laos as a “country of particular concern” and Amnesty International has stated that the Lao government is using starvation as a weapon of war against civilians in Laos.

Committee Action: The resolution was introduced on October 16, 2003, and referred to the House Committee on International Relations, which did not consider the resolution.

Cost to Taxpayers: None.

Does the Bill Create New Federal Programs or Rules?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

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H.Con.Res. 326 — Expressing the sense of Congress regarding the arbitrary detention of Dr. Wang Bingzhang by the Government of the People's Republic of China and urging his immediate release (*Napolitano*)

Order of Business: The resolution is scheduled for consideration on Wednesday, May 5, 2004, under a motion to suspend the rules and pass the bill.

Summary: The resolution has twenty-nine findings and states that it is the sense of Congress that:

“(1) Dr. Wang Bingzhang, a permanent resident of the United States, is being arbitrarily detained in the People's Republic of China in violation of international law;

“(2) the United States Government should request the Government of the People's Republic of China to release Dr. Wang, permitting him to immediately return to the United States; and

“(3) the President should make the immediate release of Dr. Wang by the Government of the People's Republic of China a top priority of United States foreign policy.”

Additional Background: According to the resolution, Dr. Wang Bingzhang, a permanent U.S. resident and pro-democracy advocate, is currently serving a life sentence in prison in the People's Republic of China and is suffering from gastritis, varicose veins, phlebitis, and depression. He was abducted in northern Vietnam in June 2002, forced back to China by boat, and taken captive by Chinese police—who denied he was in their custody for six months. On December 4, 2002, the day before he was charged with “offenses of espionage” and “the conduct of terrorist activities,” the Chinese Government admitting that Dr. Wang had been in its custody since July 3, 2002. In a day and a half closed trail, the People's Republic of China found Dr. Wang guilty under its new terrorism laws, in what the United Nations Working Group found to be “in contravention of articles 9, 10 and 11 of the Universal Declaration of Human Rights.”

Committee Action: The resolution was introduced on November 18, 2003, and referred to the House Committee on International Relations, which did not consider the resolution.

Cost to Taxpayers: None.

Does the Bill Create New Federal Programs or Rules?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

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H.Con.Res. 398—Expressing the concern of Congress over Iran's development of the means to produce nuclear weapons (Hyde)

Order of Business: The resolution is scheduled to be considered on Wednesday, May 5th, under a motion to suspend the rules and pass the bill.

Summary: H.Con.Res. 398 has seventeen “resolved” clauses regarding Iran's nuclear program, including:

“That Congress—

- “condemns in the strongest possible terms Iran's continuing deceptions and falsehoods to the International Atomic Energy Agency (IAEA) and the international community about its nuclear programs and activities;
- “calls upon all State Parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), including the United States, to use all appropriate means to deter, dissuade, and prevent Iran from acquiring nuclear weapons, including ending all nuclear and other cooperation with Iran (including the provision of dual use items), until Iran fully implements the Additional Protocol between Iran and the IAEA for the application of safeguards;
- “demands that Iran immediately and permanently cease all efforts to acquire nuclear fuel cycle capabilities and to immediately, unconditionally, and permanently cease all nuclear enrichment activities, including manufacturing and importing related equipment;
- “demands that Iran honor its stated commitments and legal obligations to grant the IAEA inspectors full unrestricted access and cooperate fully with the investigation of its nuclear activities and demonstrate a new openness and honesty about all its nuclear programs;
- “calls upon the members of the European Union not to resume discussions with Iran on multilateral trade agreements until such time that Iran has verifiably and permanently ceased all nuclear weapons development activity, including a permanent cessation of uranium conversion and enrichment and plutonium reprocessing activities;
- “further calls upon the European Union to consider what further measures, including sanctions, may be necessary to persuade Iran to fulfill its obligations and commitments to the IAEA; and
- “urges the President of the United States to provide whatever financial, material, or intelligence resources are necessary to the IAEA to enable it to fully investigate Iran's nuclear activities;

Included in the “resolved” clauses are also specific calls to various countries, such as Japan, France, and Russia, not to proceed with future projects with Iran related to its nuclear and other energy needs.

Additional Background: The resolution details Iran’s violations of the Treaty on the Non-Proliferation of Nuclear Weapons and obligations to the International Atomic Energy Agency.

Committee Action: On March 25, 2004, the resolution was referred to the International Relations Committee but was not considered.

Administration Position: The Bush Administration has been on board with previous efforts to force greater Iranian compliance with the international atomic energy regime. As an example, see this webpage: <http://usembassy.state.gov/islamabad/www03062001.html>

Cost to Taxpayers: The resolution would authorize no expenditure.

Does the Bill Create New Federal Programs or Rules?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

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H.R. 4227—Middle-Class Alternative Minimum Tax Relief Act (Simmons)

Order of Business: The bill is scheduled to be considered on Wednesday, May 5th, subject to a modified closed rule (H.Res. 619). The rule would make in order one amendment in the nature of a substitute, as summarized below.

Summary: H.R. 4227 would extend to 2005 (and index for inflation) the increased Alternative Minimum Tax (AMT) exemption amounts available to individual taxpayers in 2003 and 2004. If this legislation is not signed into law, beginning January 1, 2005, the AMT exemption will decrease from \$40,250 to \$33,750 for single filers and from \$58,000 to \$45,000 for married couples filing jointly. [These lower exemption levels were the levels in law prior to the Jobs and Growth Tax Relief Reconciliation Act of 2003— Public Law 108-27.] Returning to the lower exemption levels means that significantly more taxpayers would suddenly become subject to the AMT (and therefore pay higher taxes) in 2005.

Additional Background: The AMT was created to prevent taxpayers who have large tax deductions or fall under certain other scenarios from dramatically reducing their tax liabilities. The AMT is therefore a required recalculation of a taxpayer's tax liability under certain circumstances. Under such recalculation, certain deductions allowed when computing the "regular" tax liability are not allowed, some items of income and deductions are computed differently, and a different rate schedule applies. A taxpayer then owes whichever amount is *higher*—the AMT or the "regular" tax. The problem that has been arising in the tax code is that as incomes rise, more and more people become subject to the AMT and therefore face higher tax liabilities.

The AMT exemption amounts are the amounts that do not count toward figuring out whether a taxpayer is subject to the AMT. The lower the exemptions, the higher the number of taxpayers subject to the AMT. Being subject to the AMT means paying higher taxes.

H&R Block reports that an estimated 2.1 million taxpayers were subject to the AMT in 2001 and that upwards of 30 million taxpayers will be subject to it in 2010.

For more information on what the AMT is, visit this webpage:
http://www.hrblock.com/taxes/fast_facts/articles/amt_feature.html

To see the other impending tax increases that will *automatically* occur without legislative action, visit this RSC webpage:

<http://johnshadegg.house.gov/rsc/Impending%20Tax%20Increases--Feb%202004.pdf>

Amendment Made in Order under the Rule (H.Res. 619):

Range: **Permanently raises taxes** by eliminating and increasing the reporting on certain tax shelters, codifying the “economic substance” doctrine (the test used by courts to determine whether a transaction is an “abusive” corporate tax shelter—often by examining whether the transaction had a non-tax purpose), and increasing certain penalties. Eliminates all liability for the AMT (**only in 2005**) for taxpayers whose adjusted gross incomes are less than \$125,000 (for singles) and \$250,000 (for married couples filing jointly). Above those income levels, AMT liabilities would be phased in over a \$40,000 range for couples (\$20,000 for single taxpayers). Requires the Treasury Department to submit recommendations to Congress to permanently reform the AMT so that the number of individuals subject to it would be less than 1%. Requires the Ways and Means Committee to act on such recommendations by August 1, 2004.

Committee Action: On April 28, 2004, the bill was referred to the Ways & Means Committee, but the Committee took no official action on it.

Administration Position: President Bush’s FY2005 budget includes a one-year extension of current-law AMT exemption levels, along with additional AMT relief. The Administration has also called for a more complete, permanent reform of the AMT.

Savings to Taxpayers: Although an official Joint Committee on Taxation (JCT) revenue estimate was not available at press-time, Ways & Means Committee staff report that the underlying bill would save taxpayers \$7.1 billion in FY2005 and \$17.8 billion over ten years.

NOTE: The Budget Committee reports that “H.R. 4227 will not violate the terms of the fiscal year 2004 budget resolution, and is not expected to violate the terms of the fiscal year 2005 budget resolution once completed. Therefore it is not expected to violate any points of order under the provisions of the Congressional Budget Act.”

Does the Bill Create New Federal Programs or Rules?: No, it would extend current law for one year and index it for inflation.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No.

Constitutional Authority: Though a committee report citing constitutional authority in unavailable, Article I, Section 8, Clause 1 grants Congress the power to “lay and collect Taxes, Duties, Imposts and Excises...,” and the 16th Amendment grants Congress the power to “lay and collect taxes on incomes, from whatever source derived,....”

Outside Organizations: All known conservative organizations are supporting this legislation. Americans for Tax Reform has indicated that it will include H.R. 4227 in its annual congressional ratings.

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